DEVELOPMENT P & D.II (1945 ..) Department

.... SERIES.

G.O. No. 3834

Dated 20th JULY 1945.

[Despatch Abstract.]

INDUSTRIES - Cotton Textile Industry - Expansion Control over sale and installation of second hand and indigenous spindles outside the Provincial quota - Not agreed to by the Government of India - Papers Recorded.

THE SOUTHERN INDIA MILLOWNERS' ASSOCIATION.

Race Course, Coimbatore,
Dated 5th April 1948.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

Sir,

Sub: Textile Industry - Expansion of - Installation of Indigenous Ring Frames.
Ref: Your letter No.8956 P&D II/47-5, dated 4-3-1948.

We are in receipt of your above communication and we are of the considered view that the statutory control imposed on the sale and installation of indigenous Ring Frames should be removed in the interest of the Industry, as that will enable the textile mills to purchase the required frames from the open market without any of the existing restrictions thereon. We are thankful to the Textile Commissioner, Bombay for having issued the circular letter dated 27th December, 1947, but we are constrained to say that it does not so far enough. For one thing, the Mills who are in need of Ring Frames have already placed orders in the foreign market and are awaiting delivery of the same and they may not be inclined to purchase from the Indian market. And secondly, there seems to be an apprehension for buying the Indian-made quality, though they are quite good.

2. Again, in the case of certain Mills which are to run under the Post War Planning Scheme, it is quite likely they may take some more time to effectively start working and that will mean that they may not be in immediate need of any Ring Frames now. We may also state here that once our Ring Frames have been put on trial by a particular Mill and found satisfactory, why when other Mills require Ring Frames each one of them should be permitted to have only the frames for trial purposes instead of straight-away giving them permission for acquiring the required number of Ring Frames. There is also another difficulty in permitting frames only for trial purposes, as each one of them will find it hard to get the required number of bobbins, spares etc. We desire that this aspect of the matter should also be considered.

3. In this connection, we may refer to the case of the Textool Company Limited, Coimbatore. The Ring Frames manufactured by the above firm and supplied some time ago to Messrs. Sounderaraja Mills Ltd., Dindigul were found to be quite satisfactory in actual working But, when they wanted further frames and placed an order with the said firm which were accordingly manufactured we find that it was cancelled under instructions from the Textile Commissioner, Bombay. We cannot understand why permission was refused to this Mill to purchase their requirements of Ring Frames specially when they have made a trial previously and found them efficient and also cheaper than those from foreign countries.

4. Again Messrs. A.D.Cotton Mills Ltd., wanted 4 Ring Frames and they sought permission from the Textile Commissioner, on 21-10-47. In his letter dated 8/9-12-47 permission was refused to instal the 4 Ring Frames. But later on we understand that permission has been given only for 2 frames for trial purposes only.

5. We have given the above examples where the indigenous manufacturing companies are hedged in with number of restrictions

and their manufactured goods have to be kept idle without proper supply being made though there is demand for the same. We are unable to see the principle or the policy behind such a scheme. We are sure that the Government's avowed policy is to encourage local industries as much as possible by giving effective aid, but actually it is found that there are very many difficulties encountered and the Industry is not allowed to progress to any appreciable extent. In the above circumstances, we feel that all restrictions should be removed and the Industry be allowed to offer the for the sale their goods to such of those who require them or in the alternative the Government should arrange to take in the goods manufactured by such units and allot the same to different Mills as and when they are in need of them. We trust we have made the position above clear and that the same will be considered carefully and the needful done in the matter, as early as possible.

I have the honour to be,
Sir,
Your obedient servant,

Hon. Secretary.

GOVERNMENT OF MADRAS.
DEVELOPMENT (PLANNING & DEVELOPMENT) DEPARTMENT.
Lr.No.8956 P & D II/47-7.

From

The Secretary to Government.

To

The Secretary to the Government of India,
Ministry of Industry & Supply, NEW DELHI.
(with enclosure

Dated Fort St. George, Madras, the 5th May 1948.

Sir,

Sub: Industries - Cotton Textile Industry - Control over sale and installation of indigenous ring frames - Removal of.
Ref: Your letter No.6 Tex.1-47, dated 17-2-1948.

I am directed to forward herewith a copy of letter dated 5th April 1948 from Messrs. The Southern India Mill Owners' Association and to state that, the Government of Madras consider that the Association has made out a case for the removal of all control over the sale and installation of indigenous ring frames. I am therefore to request that the decision of the Government of India in para 2 of your letter quoted above may be reconsidered and the control over the indigenous ring frames may be removed.

Yours faithfully,

Sd/- x x
Secretary to Government.

to making the best of the available material for the planned development of the industry. The absence of any regulation of the sale and purchase of textile machinery would cut across the Textile Plan and might result in wasteful and uneconomic use of material in short supply. The fears of the Southern Indian Millowners' Association are based on a misapprehension and the Government of India would assure you that the permission of the Textile Commissioner for acquiring and setting up new ring frames will be readily accorded to all parties authorised to promote new mills or to use them in the existing mills for the purpose of balancing or replacement.

Sd/- x x
(S.A.Tekkhandani)
Assistant Secretary to the Government of India.

Copy to Messrs. he Southern India Millowners' Association, Race Course, Coimbatore, with reference to their letter dated 5th April 1948, to the Government of Madras.

Copy, with a copy of the letter under reply forwarded to the Textile Commissioner, Bombay, for information.

(True copy)

The Government of India state that the installation of new textile mills under the Cotton Textile Expansion Plan has been permitted on a regional basis and each region's allocation of spindles has been distributed to new mills and to existing mills so as to bring them to an economic size and that in order to implement the Textile Plan it is necessary that indigenous ring frames should be sold either to existing mills for replacement, or for authorised balancing and expansion or to authorised promoters of new mills. It is pointed out how the removal of these restrictions would cut across the Textile Plan. The Government of India also assure that permission of the Textile Commissioner for acquiring and setting up indigenous ring frames will be readily accorded to all parties authorised to promote new mills or to use them in the existing mills for the purpose of balancing or replacement. (A copy of the Government of India's letter has gone to the Southern India Millowners' Association). In the circumstances it does not seem necessary to pursue the matter further with the Government of India, For orders.

Intd. 28/6/48

S. No need to pursue.
H.M.(I) may see.

x x 29/6.